

Tab 7

LEASE AGREEMENT

This Agreement is made on January , 1985,

Between .

ATLANTIC PIER COMPANY, INC., residing or located at 171 Palmer Street, in the Borough of Belford, in the County of Monmouth and State of New Jersey, herein designated as the Landlord,

AND

OCEAN COUNTY LANDFILL CORPORATION, residing or located at P.O. Drawer 4, in the Borough of Belford, in the County of Monmouth and State of New Jersey, herein designated as the Tenant;

WHEREAS, Atlantic Pier Company, Inc., a New Jersey Corporation, is the owner of certain property located within the Township of Manchester, County of Ocean and State of New Jersey, and for several years has permitted and suffered the use of such property as a solid waste landfill facility, and

WHEREAS, for several years, said property has been leased by Ocean County Landfill Corporation, and utilized by said corporation as a solid waste landfill facility, and

WHEREAS, Ocean County Landfill Corporation and Atlantic Pier Company, Inc., desire to enter into a lease agreement for the continued rental of such property by Ocean County Landfill Corporation and use of same as a solid waste landfill facility, and

WHEREAS, Ocean County Landfill Corporation and Atlantic Pier Company, Inc., desire to memorialize the terms and conditions under which Ocean County Landfill Corporation will be permitted to continue to lease said property for use as a solid waste landfill facility.

NOW, THEREFORE, for and in consideration of the covenants and mutual promises herein contained, and for other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1st: The Landlord does hereby lease to the Tenant and the Tenant does hereby rent from the Landlord, the following described premises: Block 2, Lots 6, 9, 10, 12, 14, 15, 18, 19, 22, 23, 24, 60, 61, 62, 64, 65, 768, 769, 770, 771, and 772; and Block 3-2, Lot 642, owned by Atlantic Pier Company, Inc., Block 2, Lots 13 and 21, owned by Ocean County Landfill Corp., Township of

County of Ocean and State of New Jersey, for a term of twelve (12) years, commencing on 1986 and ending on 1998, to be used and occupied only and for no other purpose than a solid waste disposal landfill.

2nd: The Tenant covenants and agrees to pay to the Landlord, as rent for and during the term hereof, the base sum of [REDACTED] in the following manner:

Tenant shall pay the sum of [REDACTED] or before for each year of the term of this Agreement.

It is the intention of the Landlord and the Tenant that the rent herein specified shall be net to the Landlord in each year during the term of this lease, that all costs, expenses, and obligations of every kind relating to the leased property (except as otherwise specifically provided in this lease) which may arise or become due during the term of this lease shall be paid by the tenant, and that the landlord shall be indemnified by the Tenant against such costs, expenses, and obligations.

The net rent shall be paid to the landlord without notice or demand and without abatement, deduction, or setoff (except as otherwise specifically provided in this lease). The net rent shall be paid in equal monthly installments in advance on the first day of each calendar month during the term of this lease.

All taxes, charges, costs and expenses which the tenant is required to pay hereunder, together with all interest and penalties that may accrue thereon in the event of the tenant's failure to pay such amounts, and all damages, costs and expenses which the landlord may incur by reason of any default of the tenant or failure on the tenant's part to comply with the terms of this lease, shall be deemed to be additional rent and in the event of nonpayment by the tenant, the landlord shall have all the rights and remedies with respect thereto as the landlord has for the nonpayment of the basic rent.

Rent Adjustment: Subsequent to the first year of the term of this lease, the fixed rent which the tenant shall pay during such extended term shall be [REDACTED] per annum [REDACTED] of [REDACTED].

(b) (1) As promptly as practicable after the end of the initial one-year term of this lease, the landlord shall compute the increase, if any, in the cost of living for the preceding ten-year period based upon the Revised Consumers Price Index (hereinafter called the Index), published by the Bureau of Labor Statistics of the United States Department of Labor.

(2) The Index number indicated in the column for the City of New York, entitled "all items," for the month of January, 1985

shall be the "base Index number" and the corresponding Index number for the month of January, 1985, shall be the "current Index number."

(3) The current Index number shall be divided by the base Index number. From the quotient thereof, there shall be subtracted the integer 1, and any resulting positive number shall be deemed to be the percentage of increase in the cost of living.

(4) The percentage of increase multiplied by shall be the increase required to be determined by subdivision (a) of this Article.

(5) The landlord shall, within a reasonable time after obtaining the appropriate data necessary for computing such increase, give the tenant notice of any increase so determined, and the landlord's computation thereof shall be conclusive and binding but shall not preclude any adjustment which may be required in the event of a published amendment of the index figures upon which the computation was based unless the tenant shall, within 60 days after the giving of such notice, notify the landlord of any claimed error therein. Any dispute between the parties as to any such computation shall be determined by arbitration.

(c) The fixed rent, as so determined (i.e., the aggregate of and the "increase" calculated in accordance with subparagraphs 1 to 4 of the subdivision (b) of this article, inclusive), shall be due and payable to the landlord in equal monthly installments commencing with the first month of the extended term of this lease (any retroactive payments then due being payable within five days after the giving of such notice), and in the event of any subsequent redetermination of such amount the adjustment thus indicated shall be made promptly between the landlord and the tenant.

(d) If publication of the Consumers Price Index shall be discontinued, the parties hereto shall thereafter accept comparable statistics on the cost of living for the City of New York, as they shall be computed and published by an agency of the United States or by a responsible financial periodical of recognized authority then to be selected by the parties hereto or, if the parties cannot agree upon a selection, by arbitration. In the event of (1) use of comparable statistics in place of the Consumers Price Index as above mentioned or (2) publication of the Index figure at other than monthly intervals, there shall be made in the method of computation herein provided for such revisions as the circumstances may require to carry out the intent of this Article, and any dispute between the parties as to the making of such adjustment shall be determined by arbitration.

3rd: The Tenant has examined the premises and has entered into this Lease without any representation on the part of the Landlord as to the condition thereof. Both parties are aware that

said premises are being used as a solid waste landfill facility, and the Tenant expressly accepts said property with knowledge of same. The Tenant shall take good care of the premises and shall at the Tenant's own cost and expense, make all repairs, including painting and decorating, and shall maintain the premises in good condition and state of repair, and at the end or other expiration of the term hereof, shall deliver up the rented premises in good order and condition, wear and tear from a reasonable use thereof, and damage by the elements not resulting from the neglect or fault of the Tenant, excepted. The Tenant shall neither encumber nor obstruct any sidewalks, driveways, yards, entrances, hallways and stairs, but shall keep and maintain the same in a clean condition, free from debris, trash, refuse, snow and ice.

The Tenant accepts the leased property and all improvements or equipment thereon in their existing condition as an existing solid waste landfill facility. No representation, statement or warranty, express or implied, has been made by or on behalf of the landlord, as to such condition or as to the use to which said property may be made or to which the property has been used previously. In no event shall the landlord be liable for any defect in such property or for any limitation on its use.

4th: The Tenant shall promptly comply with all laws, ordinances, rules, regulations, requirements and directives of the Federal, State and Municipal Governments or Public Authorities and of all their departments, bureaus and subdivisions, applicable to and affecting the said premises, their occupancy, use as a solid waste landfill facility, for the correction, prevention and abatement of nuisances, violations or other grievances in, upon or connected with the said premises, and use of same as a solid waste landfill facility, during the term hereof; and shall promptly comply with all orders, regulations, requirements and directives of the Board of Fire Underwriters or similar authority and of any other insurance companies which have issued or are about to issue policies of insurance covering the said premises, its use as a solid waste landfill facility and its contents, for the prevention of fire or other casualty, damage or injury, including any casualty, damage or injury resulting from the use of such property by Tenant as a solid waste landfill facility, at the Tenant's own cost and expense.

5th: The Tenant may use and occupy the leased property for any lawful purposes, except that the Tenant shall not use or occupy nor permit the leased property or any part thereof to be used or occupied for any unlawful business, use, or purpose, nor for any business, use or purpose deemed disreputable or hazardous, nor for any purpose or in any manner which is in violation of any present or future governmental laws or regulations. The Tenant shall promptly after the discovery of any such unlawful, disreputable, or extra-hazardous use take all necessary steps, legal and equitable, to compel the discontinuance of such use and to oust and remove any subtenants, occupants, or other persons guilty of such unlawful, disreputable, or hazardous use. The

Tenant shall indemnify the Landlord against all costs, expenses, liabilities, losses, damages, injunctions, suits, fines, penalties, claims, and demands, including reasonable counsel fees, arising out of any violation of or default in these covenants.

The Tenant warrants and represents that it has operated the existing solid waste landfill facility in accordance with all rules, regulations and orders of all state, local, regional, or federal agencies and authorities regulating the operation of solid waste landfill authorities. It is acknowledged that, during each annual anniversary of the term of this lease, the Tenant shall provide the landlord with a written statement providing that same is in compliance with all rules, regulations and orders of state, local, regional or federal authorities or agencies regulating the operation of solid waste landfill facilities. The Tenant shall indemnify the Landlord against all costs, expenses, liabilities, losses, damages, injunctions, suits, fines, penalties, claims, and demands, including reasonable counsel fees, arising out of any violation of or default in complying with any regulation, rule, or order of any state, local, regional or federal authority or agency regulating the operation of a solid waste landfill facility.

6th: The Tenant shall not assign, mortgage, or hypothecate this Lease, nor sublet or sublease the premises or any part thereof; nor occupy or use the leased premises or any part thereof, nor permit or suffer the same to be occupied or used for any purposes other than as a solid waste landfill facility, nor for any purpose deemed unlawful, disreputable, or hazardous, on account of fire, environmental or other casualty.

7th: No alternations, additions or improvements shall be made, and no climate regulating, air conditioning, cooling, heating or sprinkler systems, television or radio antennas, heavy equipment, apparatus and fixtures, shall be installed in or attached to any structures on the leased premises, without the written consent of the Landlord. Unless otherwise provided herein, all such alterations, additions or improvements and systems, when made, installed in or attached to the said premises, shall belong to and become the property of the Landlord and shall be surrendered with the premises and as part thereof upon the expiration or sooner termination of this Lease, without hindrance, molestation or injury.

8th: In case of fire, environmental or other casualty, the Tenant shall give immediate notice to the Landlord. If the premises shall be partially damaged by fire, or by the elements or other casualty, the Landlord shall repair the same as speedily as practicable, but the Tenant's obligation to pay the rent hereunder shall not cease. If, in the opinion of the Landlord, the premises be so extensively and substantially damaged as to render them untenable, then the rent shall cease until such time as the premises shall be made tenantable by the Landlord. However, if, in the opinion of the Landlord, the premises be totally destroyed or so extensively and substantially damaged as to require practically

a rebuilding thereof, then the rent shall be paid up to the time of such destruction and then and from thenceforth this Lease shall come to an end. In no event however, shall the provisions of this clause become effective or be applicable, if the fire or other casualty and damage shall be the result of the carelessness, negligence, or improper conduct of the Tenant or the Tenant's agents, employees, guests, licensees, invitees, subtenants, assignees or successors. In such case, the Tenant's liability for the payment of the rent and the performance of all the covenants, conditions and terms hereof on the Tenant's part to be performed shall continue and the Tenant shall be liable to the Landlord for the damage and loss suffered by the Landlord. If the Tenant shall have been insured against any of the risks herein covered, then the proceeds of such insurance shall be paid over to the Landlord to the extent of the Landlord's costs and expenses to make the repairs hereunder, and such insurance carriers shall have no recourse against the Landlord for reimbursement.

9th: The Tenant agrees that the Landlord and the Landlord's agents, employees or other representatives, shall have the right to enter into and upon the said premises or any part thereof, at all reasonable hours, for the purpose of examining the same or making such repairs or alternations therein as may be necessary for the safety and preservation thereof. This clause shall not be deemed to be covenant by the Landlord nor be construed to create an obligation on the part of the Landlord to make such inspection or repairs.

10th: The Tenant agrees to permit the Landlord and the Landlord's agents, employees or other representatives to show premises to persons wishing to rent or purchase the same, and Tenant agrees that on and after next preceding the expiration of the term hereof, the Landlord or the Landlord's agents, employees or other representatives shall have the right to place notices on the front of said premises or any part thereof, offering the premises for rent or for sale; and the Tenant hereby agrees to permit the same to remain thereon without hindrance or molestation.

11th: In case of the destruction of or any damage to the glass in the leased premises, or the destruction of or damage of any kind whatsoever to said premises, caused by the carelessness, negligence or improper conduct on the part of the Tenant or the Tenant's agents, employees, guests, licensees, invitees, subtenants, assignees or successors, the Tenant shall repair the said damage or replace or restore any destroyed parts of the premises, as speedily as possible, at the Tenant's own cost and damage.

12th: The Tenant shall not place nor allow to be placed any signs of any kind whatsoever, upon, in or about the said premises or any part thereof, except of a design and structure and in or at such places as may be indicated and consented to by the Landlord in writing. In case the Landlord or the Landlord's

agents, employees or representatives shall deem it necessary to remove any such signs in order to paint or make any repairs, alterations or improvements in or upon said premises or any part thereof, they may be so removed, but shall be replaced at the Landlord's expense when the said repairs, alterations or improvements shall have been completed. Any signs permitted by the Landlord shall at all times conform with all municipal ordinances or other laws and regulations applicable thereto.

13th: The Landlord shall not be liable for any damage or injury which may be sustained by the Tenant or any other person, as a consequence of the failure, breakage, leakage or obstruction of the water, plumbing, stream, sewer, waste or soil pipes, roof, drains, leaders, gutters, valleys, downspouts or the like or of the electrical, gas, power, conveyor, refrigeration, sprinkler, air conditioning or heating systems, elevators or hoisting equipment; or by reason of the elements; or resulting from the use of said property as a solid waste landfill facility; or resulting from the carelessness, negligence or improper conduct on the part of any other Tenant or the Landlord's or this or any other Tenant's agents, employees, guests, licensees, invitees, subtenants, assignees or successors; or attributable to any interference with, interruption of or failure, beyond the control of the landlord, of any services to be furnished or supplied by the Landlord.

14th: This Lease shall not be a lien against the said premises in respect to any Mortgages that may hereafter be placed upon said premises. The recording of such Mortgage or Mortgages shall have preference and precedence and be superior and prior in lien to this Lease, irrespective of the date of recording and the Tenant agrees to execute any instruments, without cost, which may be deemed necessary or desirable, to further effect the subordination of this Lease to any such Mortgage or Mortgages. A refusal by the Tenant to execute such instruments shall entitle the Landlord to the option of cancelling this Lease, and the term hereof is hereby expressly limited accordingly.

15th: The Tenant has this day deposited with the Landlord the sum of \$ as security for the payment of the rent hereunder and the full and faithful performance by the Tenant of the covenants and conditions on the part of the Tenant to be performed. Said sum shall be returned to the Tenant, without interest, after the expiration of the term hereof, provided that the Tenant has fully and faithfully performed all such covenants and conditions and is not in arrears in rent. During the term hereof, the Landlord may, if the Landlord so elects, have recourse to such security, to make good any default by the Tenant, in which event the Tenant shall, on demand, promptly restore said security to its original amount. Liability to repay said security to the Tenant shall run with the reversion and title to said premises, whether any change in ownership thereof be by voluntary alienation or as the result of judicial sale, foreclosure or other proceedings, or the exercise of a right of taking or entry by any

mortgagee. The Landlord shall assign or transfer said security, for the benefit of the Tenant, to any subsequent owner or holder of the reversion or title to said premises, in which case the assignee shall become liable for the repayment thereof as herein provided, and the assignor shall be deemed to be released by the Tenant from all liability to return such security. This provision shall be applicable to every alienation or change in title and shall in no wise be deemed to permit the Landlord to retain the security after termination of the Landlord's ownership of the reversion or title. The Tenant shall not mortgage, encumber or assign said security without the written consent of the Landlord.

16th: If for any reason it shall be impossible to obtain fire and other hazard insurance on the buildings and improvements on the leased premises, or environmental liability insurance as a consequence of the use of the property as a SOLID waste landfill facility, in an amount and in the form and in insurance companies acceptable to the Landlord, the Landlord may, if the Landlord so elects at any time thereafter, terminate this Lease and the term hereof, upon giving to the Tenant fifteen days notice in writing of the Landlord's intention so to do, and upon the giving of such notice, this Lease and the term thereof shall terminate. If by reason of the use to which the premises are put by the Tenant or character of or the manner in which the Tenant's business is carried on, the insurance rates for fire and other hazards, including, but not limited to environmental liability, shall be increased, the Tenant shall upon demand, pay to the Landlord, as rent, the amounts by which the premiums for such insurance are increased. Such payment shall be paid with the next installment of rent but in no case later than one month after such demand, whichever occurs sooner.

In the event that the Tenant shall be unable to obtain insurance coverage, including environmental liability insurance, in an amount acceptable to the landlord, the Landlord may, if the Landlord so elects at any time thereafter, require the Tenant to post additional sureties in such amount as the Landlord shall deem appropriate, upon giving to the Tenant fifteen days notice in writing of the Landlord's intention so to do. The rights afforded the Landlord under the terms of this subparagraph shall not be interpreted as limiting the rights otherwise accorded the Landlord under the terms of this lease.

17th: The Tenant shall pay when due all the rents or charges for water or other utilities used by the Tenant, which are or may be assessed or imposed upon the leased premises or which are or may be charged to the Landlord by the suppliers thereof during the term hereof, and if not paid, such rent or charges shall be added to and become payable as additional rent with the installment of rent next due or within 30 days of demand therefor, whichever occurs sooner.

18th: If the land and premises leased herein, or of which the leased premises are a part, or any portion thereof, shall be

taken under eminent domain or condemnation proceedings, or if suit or other action shall be instituted for the taking or condemnation thereof, or if in lieu of any formal condemnation proceedings or actions, the Landlord shall grant an option to purchase and or shall sell and convey the said premises or any portion thereof, to the governmental or other public authority, agency, body or public utility, seeking to take said land and premises or any portion thereof, then this Lease, at the option of the Landlord, shall terminate, and the term hereof shall end as of such date as the Landlord shall fix by notice in writing; and the Tenant shall have no claim or right to claim or be entitled to any portion of any amount which may be awarded as damages or paid as the result of such condemnation proceedings or paid as the purchase price for such option, sale or conveyance in lieu of formal condemnation proceedings; and all rights of the Tenant to damages, if any, are hereby assigned to the Landlord. The Tenant agrees to execute and deliver any instruments, at the expense of the Landlord, as may be deemed necessary or required to expedite any condemnation proceedings or to effectuate a proper transfer of title to such governmental or other public authority, agency, body or public utility seeking to take or acquire the said lands and premises or any portion thereof. The Tenant covenants and agrees to vacate the said premises, remove all the Tenant's personal property therefrom and deliver up peaceable possession thereof to the Landlord or to such other party designated by the Landlord in the aforementioned notice. Failure by the Tenant to comply with any provisions in this clause shall subject the Tenant to such costs, expenses, damages and losses as the Landlord may incur by reason of the Tenant's breach hereof.

19th: If there should occur any default on the part of the Tenant in the performance of any conditions and covenants herein contained, or if during the term hereof the premises or any part thereof shall be or become abandoned or deserted, vacated or vacant, or should the Tenant be evicted by summary proceedings or otherwise, the Landlord, in addition to any other remedies herein contained or as may be permitted by law, may either by force or otherwise, without being liable for prosecution therefor, or for damages, re-enter the said premises and the same have and again possess and enjoy; and as agent for the Tenant or otherwise, re-let the premises and receive the rents therefor and apply the same, first to the payment of such expenses, reasonable attorney fees and costs, as the Landlord may have been put to in re-entering and repossessing the same and in making such repairs and alterations as may be necessary; and second to the payment of the rents due hereunder. The Tenant shall remain liable for such rents as may be in arrears and also the rents as may accrue subsequent to the re-entry by the Landlord, to the extent of the difference between the rents reserved hereunder and the rents, if any, received by the Landlord during the remainder of the unexpired term hereof, after deducting the aforementioned expenses, fees and costs; the same to be paid as such deficiencies arise and are ascertained each month.

20th: Upon the occurrence of any of the contingencies set forth in the Dreceding clause, or should the Tenant be adjudicated a bankrupt, insolvent or placed in receivership, or should proceedings be instituted by or against the Tenant for bankruptcy, insolvency, receivership, agreement of composition or assignment for the benefit of creditors, or if this lease or the estate of the Tenant hereunder shall pass to another by virtue of any court proceedings, writ of execution, levy, sale or by upon giving to the Tenant or to any trustee, receiver, assignee or other person in charge of or acting as custodian of the assets or property of the Tenant, five days notice in writing, of the Landlord's intention so to do. Upon the giving of such notice, this Lease and the term hereof shall end on the date fixed in such notice as if the said date was the date originally fixed in this Lease for the expiration hereof; and the Landlord shall have the right to remove all persons, goods, fixtures and chattels therefrom, by force or otherwise, without liability for damages.

21st: Any equipment, goods, fixtures or other property of the tenant, not removed by the tenant upon the termination of this lease, or upon any quitting, vacating or abandonment of the premises by the tenant, or upon the tenant's eviction, shall be considered as abandoned and the Landlord shall have the right, without notice to the tenant, to sell or otherwise dispose of the same, at the expense of the tenant, and shall not be accountable to the tenant for any part of the proceeds of such sale, if any.

22nd: If the tenant shall fail or refuse to comply with and perform any conditions and covenants of the within lease, the landlord may, if the landlord so elects, carry out and perform such conditions and covenants at the cost and expense of the tenant, and the said cost and expense shall be payable on demand, or at the option of the landlord shall be added to the installment of rent due immediately thereafter but in no case later than one month after said demand, whichever occurs sooner, and shall be due and payable as such. This remedy shall be in addition to such other remedies as the landlord may have hereunder by reason of the breach by the tenant of any of the provisions and covenants in this lease contained.

23rd: This lease and the obligations of the tenant to pay the rent hereunder and to comply with the covenants and conditions hereof, shall not be affected, curtailed, impaired or excused because of the Landlord's inability to supply any service or material called for herein, by reason of any rule, order, regulation or preemption by any governmental entity, authority, department, agency or subdivision or for any delay which may arise by reasons of negotiations for the adjustment of any fire or other casualty loss or because of strikes or other labor trouble or for any cause beyond the control of the Landlord.

24th: The terms, conditions, covenants and provisions of this lease shall be deemed to be severable. If any clause or provision herein contained shall be adjudged to be invalid or

unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision herein, but such other clauses or provisions shall remain in full force and effect.

25th: The various rights, elections and options of the landlord, expressed herein, are cumulative, and the failure of the Landlord to enforce strict performance by the Tenant of the conditions and covenants of this lease, or to exercise any election or option or to resort or have recourse to any remedy herein conferred or the acceptance by the Landlord of any installment of rent after any breach by the Tenant, in any one or more instances, shall not be construed or deemed to be a waiver or relinquishment for the future by the Landlord of any such conditions or covenants, options, elections or remedies, but same shall continue in full force and effect.

26th: All notices required under the term of this lease shall be given and shall be completed by mailing such notices by certified or registered mail, return receipt requested, to the address of the parties as shown at the head of this lease, or to such other address as may be designated in writing, which notice of change of address shall be given in the same manner.

27th: The Landlord covenants and represents that the Landlord is the owner of the premises herein leased and has the right and authority to enter into, execute and deliver this Lease; and does further covenant that the Tenant on paying the rent and performing the conditions and covenants herein contained shall and may peaceably and quietly have, hold and enjoy the leased premises for the term aforementioned.

28th: This Lease contains the entire contract between the parties. No representative, agent or employee of the Landlord has been authorized to make any representatives or promises with reference to the within letting or to vary, alter or modify the terms hereof. No additions, changes or modifications, renewals or extensions hereof, shall be binding unless reduced to writing and signed by the Landlord and the Tenant.

29th: In all references herein to any parties, persons, entities or corporations the use of any particular gender or the plural or singular number is intended to include the appropriate gender or number as the text of the within instrument may require. All the terms, covenants and conditions herein contained shall be for and shall inure to the benefit of and shall bind the respective parties hereto, and their heirs, executors, administrators, personal or legal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, or caused these presents to be signed by their proper corporate officers and their proper corporate seal to be hereto affixed, the day and year first above written.

SIGNED, SEALED AND
DELIVERED IN THE PRESENCE
OF OR ATTESTED BY
1832
Morton H. Allen

ATLANTIC PIER CO., INC.
BY: DF Delors J. Fure
LANDLORD

Delors J. Fure

OCEAN COUNTY LANDFILL
CORPORATION
BY: Paul J. Fure President
TENANT